

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 SP-02 ICA-11 AID-05 EB-08 NSC-05
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TO SECSTATE WASHDC 9521

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E.O. 11652: N/A
TAGS: EINV, ET
SUBJECT: COMPENSATION ISSUE UPDATE

REF: ADDIS ABABA 3458

SUMMARY: DURING CORDIAL MEETING AUGUST 21 MOFA
HEAD OF ECONOMICS DEPARTMENT CONFIRMED TO EMBASSY
OFFICER THAT KALAMAZOO PROPOSAL IS ANATHEMA TO
PMGSE. AT SAME TIME, HE HELD OUT HOPE THAT
PERHAPS SOME ACTION POSSIBLE ON DR. TALBOT HOUSE,
SMALL AIRCRAFT, AND/OR STERLING CLAIMS. END SUMMARY.

1. DURING MEETING AUGUST 21 ON OTHER MATTERS,
EMBASSY OFFICER AND WOLLE CHEKOL, HEAD OF
ECONOMICS DEPARTMENT, MOFA, ALSO DISCUSSED
COMPENSATION ISSUE. EMBASSY OFFICER REQUESTED
NAMES OF U.S. FIRMS/INDIVIDUALS WHO HAVE SUBMITTED
CLAIMS TO COMPENSATION COMMISSION, AND AMOUNTS
INVOLVED, NOTING THAT DISCUSSIONS BETWEEN EMBASSY
AND MOFA SHOULD BE ON BASIS OF SAME INFORMATION
AVAILABLE TO BOTH. WOLLE AGREED REQUEST WAS
PRACTICAL AND PROMISED TO SEEK CONCURRENCE OF
COMPENSATION COMMISSION IN PROVIDING INFORMATION.
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2. WOLLE THEN BROUGHT UP SUBJECT OF KALAMAZOO
CLAIM, STATING THAT THERE IS NO PROSPECT OF EARLY
RESOLUTION. HE ASKED EMBASSY TO URGE KALAMAZOO
OFFICIALS TO PROMPTLY SUBMIT INFORMATION REQUESTED
BY COMMISSION, CLAIMING THAT HVA AND OTHER
FIRMS MUCH LARGER THAN KALAMAZOO ALREADY

HAD COMPLIED FULLY WITH THE SAME REQUEST.

3. EMBASSY OFFICER AGAIN INFORMED WOLLE THAT EMBASSY HAD NO BRIEF FOR KALAMAZOO PER SE, THAT SUGGESTED "WASH" WAS PUT FORTH ONLY AS ONE PROPOSAL WHICH MIGHT POSSIBLY SATISFY US LEGAL REQUIREMENTS FOR SUBSTANTIAL MOVEMENT ON THE COMPENSATION ISSUE. EMBASSY OFFICER STATED THAT EMBASSY WOULD BE MORE THAN HAPPY TO RECEIVE SUGGESTIONS BY PMGSE ON HOW TO RESOLVE THE DILEMMA. WOLLE THEN MENTIONED CASE OF TALBOT CLAIM, WHICH, HE STATED, UNLIKE THE KALAMAZOO CASE, IS SMALL, UNCOMPLICATED AND MORE JUSTIFIED. (DR. TALBOT TOLD AMBASSADOR AUGUST 18 THAT HE HAD BEEN TO COMPENSATION COMMISSION BUT UNDECIDED AS TO WHAT TO DO. HE HAD BEEN OFFERED BY HOUSING COMMISSION \$60,000 CASH AND VAGUE PROMISE OF EVENTUAL PAYMENT THROUGH COMPENSATION COMMISSION OF BALANCE OF \$152,000 ASKING PRICE. HE WANTED FIRM PROMISSORY NOTE AND PAYMENT SCHEDULE.) CLAIMS SUCH AS THESE, HE ADDED, HAVE A MUCH GREATER POSSIBILITY OF BEING RESOLVED.

4. CITING PREVIOUS REMARK BY WOLLE THAT ETHIOPIA WAS INTERESTED IN PRIVATE FOREIGN INVESTMENT, AND PROVIDED FOR IT IN NATIONALIZATION LAWS, EMBASSY OFFICER SUGGESTED THAT DESPITE ITS PAST EXPERIENCE LIMITED OFFICIAL USE

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IN ETHIOPIA, STERLING MIGHT STILL HAVE AN INTEREST IN REVITALIZING INVESTMENT PLANS HERE, PROVIDED THEIR COMPENSATION CLAIM COULD BE RESOLVED. WOLLE AGREED TO EXPLORE MATTER WITH COMPENSATION COMMISSION. WHEN ASKED ABOUT RESOLVING AIRCRAFT AND STERLING DRUG CLAIMS OUTSIDE COMPENSATION COMMISSION, WOLLE INDICATED THAT THIS MIGHT BE A POSSIBILITY.

COMMENT: IN CONTRAST PREVIOUS MEETING (REFTEL) WOLLE WAS MUCH MORE CORDIAL AND RELAXED. ALTHOUGH LEAVING NO DOUBT THAT MENTION OF KALAMAZOO ANATHEMA TO PMGSE. WOLLE DID CONVEY IMPRESSION THAT HE WAS BECOMING MORE INTERESTED IN FINDING SOME SOLUTION TO COMPENSATION ISSUE.
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